

range of international, national, and regional news and opinion from commercial sources, as is provided by newspapers in the United States. Additionally, to better serve their readers, the Stars and Stripes shall pay special attention to news of local, host-country conditions relevant to their audiences. They shall provide, through their reporters and bureaus, news of local military communities within the theater and news of the U.S. Government, the Department of Defense, the Military Services, and theater operations not usually available to readers from outside commercial sources. The Stars and Stripes are to serve the interests of their overseas DoD readership as do prominent commercial daily newspapers throughout the United States.

C. *S&S Bookstores and Retail Operations.* The S&S shall serve readers' needs for contemporary news and information by providing a broad selection of resale commercial publications of interest to their customers at the most reasonable prices, either directly in the S&S bookstores or through other authorized sales outlets at their discretion throughout the Unified Command designated geographic area. The S&S shall have the same authorities and rights for resale commercial publications that the military exchange services have for other nonsubsistence goods and services.

D. *S&S Job Shop Printing.* The S&S are authorized to operate job shop printing, to include book publishing and/or printing, within the Unified Commands for U.S. military community newspapers, military organizations, nonappropriated fund (NAF) instrumentalities (NAFI), Morale, Welfare, and Recreation (MWR) activities, private organizations of interest and concern to the Department of Defense, as designated by 32 CFR part 212, DoD employees and their immediate families, and others designated by the Unified Command.

E. *War-Time Mission and Contingency Operations.* The S&S shall provide the Stars and Stripes on a daily basis for transportation to, and distribution in, the designated area of operations, as requested and funded by the responsible Unified Command Commander-in-Chief (CINC), and supported by the respective Unified Command owning the S&S organization. The Unified Commands shall plan for required airlift on a timely basis and intratheater distribution of daily Stars and Stripes newspapers as part of their operational planning documents. Intratheater distribution and required airlift of the Stars and Stripes shall be the responsibility of the supported Unified Command CINC and respective component commands, who shall reimburse the S&S for nonresale issues on a per-issue basis. When deployed to an area of operations, the Stars and Stripes reporters shall operate in the same manner as commercial media representatives. The deployed

Stars and Stripes reporters shall be eligible for participation in DoD and command-sponsored regional and local media pools.

#### APPENDIX B TO PART 246—BUSINESS AND FINANCIAL OPERATIONS

A. *General Financial Operations.* 1. For financial management purposes, the Unified Commands shall administer the Stars and Stripes (S&S), with policy oversight exercised by the Director of the American Forces Information Service (AFIS), as non-appropriated fund instrumentalities (NAFIs) in accordance with §246.4(c), except where procedures differ as defined in this part. The S&S shall report as prescribed in DoD Instruction 7000.12,<sup>1</sup> providing information copies to the Unified Commands and the Director of the AFIS.

a. The S&S shall be authorized non-appropriated fund (NAF) and appropriated fund (APF) support as category B NAFIs as provided under DoD Instruction 1015.6.<sup>2</sup>

b. The S&S shall be funded to the maximum extent possible through the sale and distribution of the newspaper, news magazines, books, periodicals, and similar products; job printing; authorized advertising revenues; and other authorized sources of revenue, as approved by the Department of Defense and the Congress.

c. APF support shall be kept to a minimum, consistent with the S&S mission.

2. The Secretary of the Army shall be the DoD Executive Agent for APF and NAF support to the S&S. If adverse conditions occur, the other Military Services shall provide proportionate funding support through a memorandum of agreement (MOA) containing funding procedures coordinated with the affected Unified Commands and the AFIS. Copies of the agreement shall be provided to all concerned parties.

3. The Stars and Stripes and other S&S commercial resale publications may be made available within the Unified Command to other U.S. Government Agency members, and U.S. Government contractors, as approved by the Unified Command.

4. The S&S system of accounting and internal control shall conform with the requirements of DoD Instruction 7000.12, Army regulations on Morale, Welfare and Recreation (MWR) activities and NAFIs, and NAF accounting policies and procedures, except as authorized by the S&S Comptroller's Manual to meet business and consolidation requirements. The S&S shall ensure that quarterly reports are furnished to the Unified Commands, the S&S Board of Directors, and the Director of the AFIS.

<sup>1</sup>Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

<sup>2</sup>See footnote 1 to A.1. of this appendix.

B. *Appropriated Funds.* In addition to DoD Directive 1015.6, the S&S shall be authorized APF support:

1. As provided by the U.S. Army for direct funding support when adverse conditions make such funding necessary to ensure the survival of the newspaper without impairment of mission capability. The Secretary of the Army shall provide such funding when requested by the affected Unified Command Commander-in-Chief (CINC), through the Director of the AFIS.

2. For regional air transportation of the newspaper, overseas "transportation of things" as authorized to joint-Service NAFs; and electronic, optical, or satellite transmission of the newspaper when long distances require these modes to ensure timely and economical delivery.

3. As required, to transport Stars and Stripes to officially designated "remote and isolated" locations. The Unified Commands may authorize DoD official postage to remote and isolated locations, if that action is required to ensure timely delivery. Each S&S shall annually review its mailing support to minimize APF expenditures. The U.S. postal regulations apply to the S&S.

a. The S&S shall use in-house or other non-postal means of transportation to distribute the newspaper to areas that are not designated as remote and isolated.

b. The S&S are authorized to use official managerial and administrative mail related exclusively to the business of the U.S. Government in accordance with DoD 4525.8-M,<sup>3</sup> Chapter 3, Subsection 0.8. Such official mail is also authorized to support archive responsibilities in the United States, as designated by the AFIS. Official mail may forward the Stars and Stripes through the Department of Defense to the Congress. Official mail is not authorized to provide the Stars and Stripes to general readership or to support in-theater distribution of S&S resale commercial publications.

4. For transportation of military personnel incident to mission-essential travel, required military training, participation in contingency operations, in military field exercises, such as "REFORGER" or "TEAM SPIRIT," or to areas of armed conflict.

5. In times of armed conflict or national contingency deployment, as directed by the Chairman of the Joint Chiefs of Staff for production and free distribution of the Stars and Stripes to forces as designated. The other Military Services shall reimburse the Department of the Army for services as authorized in the MOA. The Unified Commands shall endeavor to provide the Stars and Stripes and other S&S services for DoD personnel engaged in military operations, contingency operations, and exercises in the

most expeditious manner possible as requested by the participating commands. The requesting Unified Command shall be responsible for distribution of the Stars and Stripes within its theater of operations. These services shall be provided on a reimbursable basis to the S&S.

6. In other agreements as made with the Unified Commands, the Department of Defense, and the U.S. Army as the DoD Executive Agency.

C. *Nonappropriated Funds.* 1. So that the Department of the Army may perform its duties as the DoD Executive Agency, the S&S NAFS shall be invested in the Army's Banking and Investment Program and insured with the Army's Risk Management Insurance Program in accordance with DoD instruction 7000.12 and the implementing Army regulations.

2. Excess NAFs belonging to the S&S may be declared excess by the Unified Command CINC, upon the recommendation of the S&S board of directors, under the guidelines in section C.3. of this appendix. Disposition of excess NAFs shall be as directed by the Unified Command CINC. The S&S NAFs declared in excess in one theater may be allocated or loaned to the other Unified Command for S&S-related activities.

3. The S&S NAFs may be declared in excess only if the following conditions are met:

a. The S&S working capital is at a level to continue prudent operations.

b. The local national S&S employee retirement and severance accounts are fully funded. The other S&S employment agreements required by applicable NAF regulations must also be fully funded.

c. Sufficient capital is available from an investment and/or contingency fund to complete all planned and projected capital expenditure projects, and to fulfill the other legitimate S&S business obligations.

d. Additional sinking funds are available to sustain the S&S through foreseeable periods of financial crisis created by adverse conditions. The sinking fund level shall be determined by the S&S board of directors and recommended to the Unified Command CINC for approval.

e. The retail price of the Stars and Stripes is at, or below, the most prevalent charge for similar U.S. newspapers. That shall be determined by the S&S board of directors and recommended to the Unified Command CINC for approval. The Director of the AFIS will be informed of any decision to raise the retail sales price of Stars and Stripes and will provide the Unified Command CINC an assessment of average commercial newspaper sales prices throughout the United States. The availability of the Stars and Stripes at reasonable cost to overseas personnel, commensurate with the retail sales price of comparable commercial newspapers throughout the United States, is a major quality-of-life

<sup>3</sup>See footnote 1 to A.1. of this appendix.

consideration. A reasonable retail sales price is critical to ensure the greatest access for all overseas personnel and their family members to current print news and information so that they may remain informed U.S. citizens.

f. The S&S books, periodicals, magazines, and similar products are to be sold at no more than cover price and should be discounted to an appropriate level that still sustains full S&S operations, as determined by the S&S board of directors and recommended to the Unified Command CINC for approval.

4. Under adverse conditions, the S&S commander/publisher may apply for NAF support through the Unified Commands to the Director of the AFIS. Following approval by the Unified Command, the Director of the AFIS shall forward the request to the Secretary of the Army for appropriate action. Such NAF requests must first be recommended by the S&S board of directors and approved by the Unified Command CINC. In these cases, the S&S NAFs in either Unified Command may be considered as the first source before forwarding a request to the Department of the Army. The Unified Commands may lend NAFs from one S&S to the other through an MOA.

*D. Bookstores and Related Resale Activities.*

1. The S&S shall endeavor to provide the same selection of resale commercial publications that would be available in quality bookstores in the United States through its bookstores, or, at the discretion of the S&S management, other authorized sales outlets. The S&S has the same authorities and rights for resale and distribution of commercial publications that the military exchange services have on military installations for other nonsubsistence goods and services. The assortment of commercial books, periodicals, magazines, and similar products shall approximate publications commercially available in United States bookstore chains of similar size. Decisions on which publications to include shall be made by the S&S on the basis of marketability and service, not content. As an exception to the Army NAF procurement regulations, contracting authority limitations applicable to U.S. Army and joint-Service NAFs do not apply to the S&S procurement of resale commercial publications. Limitations will be as recommended by the S&S board of directors and approved by the Unified Command.

2. The Unified Command CINC shall adjudicate publications resale issues within the theater that cannot be resolved by the S&S at the operating level.

3. Both S&S shall consolidate their wholesale purchases of commercial publications to the maximum extent, consistent with Unified Command distribution criteria, actual economies of scale, and cost-efficiencies. Consolidation initiatives shall be worked in

concert with the Unified Commands, the AFIS, and the S&S board of directors. As recommended by the S&S board of directors and approved by the Unified Command CINC, the S&S bookstores shall offer discounts similar to commercial United States bookstore franchises. The offering of discounts should not endanger the financial viability of the S&S.

4. The S&S bookstores shall be audited by the S&S management at least annually. Where bookstores are operating at a consistent financial loss, the S&S may consider servicing readers through arrangements with exchanges, other military outlets, or consider consolidation at central points.

a. Bookstore inventory levels shall be verified internally on a semiannual basis. Inventory levels shall be held to cost-effective levels that still consider the servicing needs of overseas customers.

b. The S&S shall establish affidavit-return procedures to vendors and/or publishers, where possible, to return damaged merchandise, overstock, or out-of-date publications to reduce APF expenditures necessary for "over-the-water" transportation.

5. The S&S shall conduct local "market-penetration" surveys. The S&S shall also operate a "customer-complaint" feedback system to monitor its service and provide the best possible service to its customers. The results of those surveys shall be provided to the Unified Command with recommendations to the S&S board of directors, as required.

*E. Advertising.* 1. As U.S. Government publications, the Stars and Stripes operate under the authority of the "Government Printing & Binding Regulations"<sup>4</sup> issued by the Joint Committee on Printing (JCP) of the U.S. Congress. To serve the readership, the JCP has granted an exemption to Title III of the "Government Printing and Binding Regulations", authorizing the Stars and Stripes to carry limited advertising so that they may provide information to overseas DoD personnel and their families on commercial goods and services. The Stars and Stripes are authorized to solicit, sell, publish, and circulate display advertising, paid classified ads, and supplement section advertising, to include price and brand names of products or services and related coupons that are available through authorized Government outlets, their concessionaires, NAF activities, or private organizations operating on DoD installations under 32 CFR part 212. The Stars and Stripes may have run-of-the-paper display advertising not to exceed 25 percent of the newspaper over a period of 1 month. In addition, the Stars and Stripes are

<sup>4</sup>Copies may be obtained from the Joint Committee on Printing of the U.S. Congress, 818 Hart Senate Office Building, Washington, DC 20510.

authorized to sell, publish, and circulate display advertising, and supplement section advertising for consumer goods and services not available through authorized Government outlets, their concessionaires, NAF activities, or private organizations operating on DoD installations under 32 CFR part 212 when sponsored by MWR activities, NAFIs, or Type I (Federally Sanctioned) private organizations as defined by 32 CFR part 212. Implementation of the advertising authority shall be as specified by the Director of the AFIS, who shall coordinate with the JCP.

2. The Stars and Stripes may sell, through commercial advertising agencies, run-of-the-paper advertising of DoD recruiting and retention programs or activities.

3. The S&S has the right to refuse any advertising.

4. The Stars and Stripes may publish news stories on special DoD-affiliated tours or entertainment opportunities for DoD personnel and their dependents in accordance with DoD Instructions 1015.2<sup>5</sup> and 1330.13<sup>6</sup>.

5. The S&S may promote the Stars and Stripes, books, periodicals, magazines and similar products; authorized advertising; and job printing services (except APF) in the Stars and Stripes. Books, periodicals, magazines, and similar product promotions may include publications by name, title, author, and price. The Stars and Stripes also may promote literacy, health, safety, and other community service issues.

6. The S&S may promote AFRTS schedules, programs, and services in their newspapers and bookstores. The S&S shall cooperate with AFRTS outlets to promote each others' programs and services as authorized by DoD Directive 5120.20<sup>7</sup>.

7. As a newspaper operated by the Department of Defense, the Stars and Stripes may not:

a. Contain any material that implies that the DoD Components or their subordinate levels endorse or favor a specific commercial and/or individually-owned product, commodity, or service.

b. Subscribe, even at no cost, to a commercial, feature wire, or other service whose primary purpose is the advertisement or promotion of commercial products, commodities, or services.

c. Carry any advertisement that implies discrimination as to race, age, origin, gender, politics, religion, or physical characteristics that include health.

F. *Trademark.* The S&S shall trademark the Stars and Stripes in overseas areas where it is distributed.

#### APPENDIX C TO PART 246—PERSONNEL POLICIES AND PROCEDURES

A. *General Nonappropriated Fund (NAF) Employment Policies.* 1. The Stars and Stripes (S&S) shall have a personnel system that is business oriented in terms of personnel management concepts. The system shall provide maximum authority and accountability to the S&S managers at all levels and shall endeavor to improve productivity through a system of awards and bonuses for high-performing employees. The S&S NAF employees shall be governed in accordance with the U.S. Army NAF regulations, except where exceptions to general policy have been granted by the Unified Commands, the American Forces Information Service (AFIS), and the U.S. Army to the S&S.

2. As DoD employees, the S&S civilian personnel shall abide by 32 CFR part 40, the Department of Defense, the Unified Command, and the U.S. Army regulations, U.S. laws governing Government employees, the applicable host-nation laws, and the applicable status of forces agreements (SOFA) requirements. The S&S commander/publisher shall ensure that the S&S employees are made aware of those provisions before being hired and that employees receive adequate personnel training.

3. The S&S shall endeavor to recruit civilian personnel with solid experience, education, and performance credentials in the required business, publishing, or editorial disciplines. The S&S, as part of its hiring practices, shall specify terms of Government employment and include responsibilities, such as those in 32 CFR part 40, so that the S&S civilian employees are fully aware of their obligations as DoD employees.

B. *Appropriated Fund (APF) Personnel Assignment Authority.* Appropriated-funded manpower staffing to operate, manage, or support the S&S is authorized under DoD Directive 1015.4.<sup>1</sup>

C. *Military Officer Personnel Procedures.* 1. Candidates for the S&S military officer positions shall be nominated by the Military Services, through the Director of the AFIS, to the Unified Command Commander-in-Chief (CINC), who shall make the final selection. The S&S military officer positions considered for nomination shall be the S&S commander/publisher and deputy commander(s).

a. The S&S commander/publisher should have military public affairs and joint-Service experience, and a journalism degree.

b. The S&S officers supervising business operations should have experience in DoD Comptroller functions and be familiar with

<sup>5</sup>See footnote 1 to A.1 of this appendix.

<sup>6</sup>See footnote 1 to A.1 of this appendix.

<sup>7</sup>See footnote 1 to A.1 of this appendix.

<sup>1</sup>Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.